

**DEPARTMENT OF CORPORATIONS**  
*California's Investment and Financing Authority*

**PRESTON DuFAUCHARD**  
**California Corporations Commissioner**  
Sacramento, California

**MEDIA RELEASE**

**For Immediate Release**  
August 13, 2007

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**BROOKSTREET ORDERED TO STOP NEW BUSINESS****Securities Brokerage Will Continue Transferring Accounts For Existing Clients**

*Dateline, August 13, 2007* – Brookstreet Securities Corporation was ordered today to suspend any activities to solicit or facilitate new business for the brokerage firm. The order was issued by Preston DuFauchard, Commissioner of the California Department of Corporations, which has regulatory jurisdiction over Securities Broker-Dealers and Investment Advisers pursuant to state law.

In issuing the order, Commissioner DuFauchard made it clear that Brookstreet would not be precluded from winding down the business for the sake of its numerous clients. Such activities would include liquidating transactions, transferring accounts, responding to regulatory inquiries, filing all appropriate documentation, and servicing existing accounts by performing administrative functions.

“Our order is structured in a way to protect the ability of Brookstreet’s existing customers to move their accounts to a new firm, but prohibits the firm from conducting any new business,” said Commissioner DuFauchard. “The suspension of Brookstreet’s broker-dealer certificate will in no way prevent the completion of its wind down activities.”

As a condition of licensure, the Department of Corporations mandates a minimum dollar net capital requirement of \$250,000. As of June 20, 2007, according to correspondence from the firm, Brookstreet’s net capital deficiency totaled \$4,464,137.65.

Brookstreet Securities President Stanley Brooks signed a stipulated agreement on behalf of the Irvine-based firm that memorializes the terms of the order suspending their Broker-Dealer certificate. The firm neither admits nor denies any of the allegations in the Department of Corporations order, but has waived any opportunities to protest or appeal the order.

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